



BILLING CODE (3410-XV-U)

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funding Availability (NOFA) for Loan Guarantees under the Guaranteed Rural Rental Housing Program (GRRHP) for Fiscal Year 2012

AGENCY: Rural Housing Service, USDA.

ACTION: NOFA.

SUMMARY: This is a request for proposals for guaranteed loans under the section 538 Guaranteed Rural Rental Housing Program (GRRHP) pursuant to 7 CFR § 3565.4 for Fiscal Year (FY) 2012. The Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. 112-55) (November 18, 2011) (2012 Appropriations Act) provides FY 2012 funding for the section 538 program at \$130,000,000. The commitment of program dollars will be made first to approved and complete applications from prior years notices, then to applicants of selected responses in the order they are ranked under this notice that have fulfilled the necessary requirements for obligation.

Expenses incurred in developing applications will be at the applicant's risk. The following paragraphs outline the timeframes, eligibility requirements, lender responsibilities, and the overall response and application processes.

Eligible lenders are invited to submit responses for new construction and acquisition with rehabilitation of affordable rural rental housing. The Agency will review responses submitted by eligible lenders, on the lender's letterhead, and signed by both the prospective borrower and lender. Although a complete application is not required in response to this Notice, eligible lenders may submit a complete application concurrently with the response. Submitting a complete application will not have any effect on the respondent's NOFA response score.

DATES: Eligible responses to this notice will be accepted until December 31, 2012, 12:00 p.m. Eastern Time. Selected responses that develop into complete applications and meet all Federal eligibility requirements will receive conditional commitments until all funds are expended. Selected responses to this notice that are deemed eligible for further processing after September 30, 2012, will be funded to the extent an appropriation act provides funding for GRRHP for FY 2013 and will be subject to any additional limitations that may be in the FY 2013 NOFA.

Eligible lenders mailing a response or application must provide sufficient time to permit delivery to the appropriate *submission address* below on or before the closing deadline

date and time. Acceptance by a U.S. Post Office or private mailer does not constitute delivery. Postage due responses and applications will not be accepted.

SUBMISSION ADDRESS: Eligible lenders will send responses to the Multi-family Housing Program Director of the State Office where the project will be located.

USDA Rural Development State Offices, their addresses, and telephone numbers, follow:

[this information may also be found at http://www.rurdev.usda.gov/recd_map.html]

Note: Telephone numbers listed are not toll-free.

Alabama State Office
Sterling Centre, Suite 601
4121 Carmichael Road
Montgomery, AL 36106-3683
(334) 279-3400
TDD (334) 279-3495

Alaska State Office
800 West Evergreen, Suite 201
Palmer, AK 99645-6539
(907) 761-7740
TDD (907) 761-8905

Arizona State Office
230 North First Avenue, Suite 206
Phoenix, AZ 85003-1706
(602) 280-8755
TDD (602) 280-8706

Arkansas State Office
700 W. Capitol Avenue, Room 3416
Little Rock, AR 72201-3225
(501) 301-3200
TDD (501) 301-3279

California State Office
430 G Street, #4169

Davis, CA 95616-4169
(530) 792-5800
TDD (530) 792-5848

Colorado State Office
Denver Federal Center
Building 56, Room 2300
PO Box 25426
Denver, CO 80255-0426
(720) 544-2903
TDD (720) 544-2976

Connecticut
Served by Massachusetts State Office

Delaware and Maryland State Office
1221 College Park Drive
Suite 200
Dover, DE 19904
(302) 857-3580
TDD (302) 857-3585

Florida & Virgin Islands State Office
4440 N.W. 25th Place
PO Box 147010
Gainesville, FL 32614-7010
(352) 338-3400
TDD (352) 338-3499

Georgia State Office
Stephens Federal Building
355 E. Hancock Avenue – Stop 307
Athens, GA 30601-2768
(706) 546-2162
TDD (706) 546-2034

Hawaii State Office
(Services all Hawaii, American Samoa, Guam, and Western Pacific)
Room 311, Federal Building
154 Waianuenue Avenue
Hilo, HI 96720
(808) 933-8380
TDD (808) 933-8321

Idaho State Office
9173 West Barnes Drive
Suite A1
Boise, ID 83709
(208) 378-5630
TDD (208) 378-5644

Illinois State Office
2118 West Park Court, Suite A
Champaign, IL 61821-2986
(217) 403-6200
TDD (217) 403-6240

Indiana State Office
5975 Lakeside Boulevard
Indianapolis, IN 46278-1966
(317) 290-3100 (ext. 4)
TDD (317) 290-3343

Iowa State Office
210 Walnut Street, Room 873
Des Moines, IA 50273
(515) 284-4663
TDD (515) 284-4858

Kansas State Office
1303 SW First American Place, Suite 100
Topeka, KS 66604-4040
(785) 271-2700
TDD (785) 271-2767

Kentucky State Office
771 Corporate Drive, Suite 200
Lexington, KY 40503
(859) 224-7300
TDD (859) 224-7422

Louisiana State Office
3727 Government Street
Alexandria, LA 71302
(318) 473-7921
TDD (318) 473-7655

Maine State Office
967 Illinois Avenue, Suite 4
Bangor, ME 04402-0405

(207) 990-9100 (ext. 4)
TDD (207) 942-7331

Maryland
Served by Delaware State Office

Massachusetts, Connecticut, & Rhode Island State Office
451 West Street, Suite 2
Amherst, MA 01002
(413) 253-4300
TDD (413) 253-4590

Michigan State Office
3001 Coolidge Road, Suite 200
East Lansing, MI 48823
(517) 324-5190
TDD (800) 649-3777

Minnesota State Office
375 Jackson Street, Suite 410
St. Paul, MN 55101-1853
(651) 602-7800
TDD (651) 602-7830

Mississippi State Office
Federal Building, Suite 831
100 W. Capitol Street
Jackson, MS 39269
(601) 965-4318
TDD (601) 965-5850

Missouri State Office
601 Business Loop 70 West
Parkade Center, Suite 235
Columbia, MO 65203
(573) 876-0976
TDD (573) 876-9480

Montana State Office
2229 Boot Hill Court
Bozeman, MT 59715
(406) 585-2540
TDD (406) 585-2562

Nebraska State Office
Federal Building, Room 152

100 Centennial Mall N
Lincoln, NE 68508
(402) 437-5551
TDD (402) 437-5093

Nevada State Office
1390 South Curry Street
Carson City, NV 89703-9910
(775) 887-1222 (ext. 100)
TDD (775) 885-0633

New Hampshire State Office
10 Ferry Street
Concord, NH 03301-5004
Suite 218, (603) 223-6046
TDD (802) 828-6365

New Jersey State Office
8000 Midlantic Drive
5th Floor North Suite 500
Mt. Laurel, NJ 08054
(856) 787-7700
TDD (856) 787-7784

New Mexico State Office
6200 Jefferson Street NE
Albuquerque, NM 87109
(505) 761-4950
TDD (505) 761-4938

New York State Office
The Galleries of Syracuse
441 S. Salina Street, Suite 357
Syracuse, NY 13202-2541
(315) 477-6400
TDD (315) 477-6447

North Carolina State Office
4405 Bland Road, Suite 260
Raleigh, NC 27609
(919) 873-2000
TDD 711 (state relay system)

North Dakota State Office
Federal Building, Room 208
220 East Rosser
PO Box 1737
Bismarck, ND 58502
(701) 530-2061
TDD (701) 530-2090

Ohio State Office
Federal Building, Room 507
200 North High Street
Columbus, OH 43215-2477
(614) 255-2400
TDD (800) 877-8339

Oklahoma State Office
100 USDA, Suite 108
Stillwater, OK 74074-2654
(405) 742-1000
TDD (405) 742-1007

Oregon State Office
1201 NE Lloyd Boulevard
Suite 801
Portland, OR 97232-1274
(503) 414-3300
TDD (503) 414-3387

Pennsylvania State Office
One Credit Union Place, Suite 330
Harrisburg, PA 17110-2996
(717) 237-2299
TDD (717) 237-2261

Puerto Rico State Office
654 Munoz Rivera Avenue
Suite 601
San Juan, PR 00918
(787) 766-5095
TDD (787) 766-5332

Rhode Island
Served by Massachusetts State Office

South Carolina State Office
Strom Thurmond Federal Building

1835 Assembly Street, Room 1007
Columbia, SC 29201
(803) 765-5163
TDD (803) 765-5697

South Dakota State Office
Federal Building, Room 210
200 Fourth Street, SW
Huron, SD 57350
(605) 352-1100
TDD (605) 352-1147

Tennessee State Office
3322 West End Avenue
Suite 300
Nashville, TN 37203
(615) 783-1300
TDD (615) 783-1397

Texas State Office
Federal Building, Suite 102
101 South Main
Temple, TX 76501
(254) 742-9700
TDD (254) 742-9712

Utah State Office
Wallace F. Bennett Federal Building
125 S. State Street, Room 4438
Salt Lake City, UT 84138
(801) 524-4320
TDD (801) 524-3309

Vermont State Office
City Center, 3rd Floor
89 Main Street
Montpelier, VT 05602
(802) 828-6080
TDD (802) 223-6365

Virgin Islands
Served by Florida State Office

Virginia State Office
1606 Santa Rosa Road
Suite 238

Richmond, VA 23229
(804) 287-1500
TDD (804) 287-1753

Washington State Office
1835 Black Lake Blvd. SW, Suite B
Olympia, WA 98512
(360) 704-7740
TDD (360) 704-7772

Western Pacific Territories
Served by Hawaii State Office

West Virginia State Office
Federal Building
1550 Earl Core Road, Suite 101
Morgantown, WV 26505
(304) 284-4881
TDD (304) 284-4836

Wisconsin State Office
4949 Kirschling Court
Stevens Point, WI 54481
(715) 345-7600
TDD (715) 345-7614

Wyoming State Office
PO Box 11005
Casper, WY 82602
(307) 233-6700
TDD (307) 233-6733

FOR FURTHER INFORMATION CONTACT: Monica Cole, Financial and Loan Analyst, USDA Rural Development Guaranteed Rural Rental Housing Program, Multi-Family Housing Guaranteed Loan Division, U.S. Department of Agriculture, South Agriculture Building, Room 1263-S, STOP 0781, 1400 Independence Avenue, SW, Washington, DC 20250-0781. E-mail: monica.cole@wdc.usda.gov. Telephone: (202) 720-1251. This number is not toll-free. Hearing or speech-impaired persons may access that number by calling the Federal Information Relay Service toll-free at (800) 877-8339.

Overview

Federal Agency: Rural Housing Service

Solicitation Opportunity Title: Guaranteed Multi-Family Housing Loans

Announcement Type: Initial Solicitation Announcement

Catalog of Federal Domestic Assistance: 10.438

Dates: Response Deadline: December 31, 2012, 12:00 p.m. Eastern Time.

Funding Opportunity Description:

The GRRHP is authorized by section 538 of the Housing Act of 1949, as amended (42 U.S.C. 1490p-2) and operates under 7 CFR part 3565. The GRRHP Origination and Servicing Handbook (HB-1-3565) is available to provide lenders and the general public with guidance on program administration. HB-1-3565, which contains a copy of 7 CFR part 3565 in Appendix 1, can be found at: <http://www.rurdev.usda.gov/Handbooks.html>.

The purpose of the GRRHP is to increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between the Agency, private lenders, and public agencies.

ELIGIBILITY OF PRIOR YEAR SELECTED NOFA RESPONSES:

Prior fiscal year response selections that did not develop into complete applications within the time constraints stipulated by the corresponding State Office have been cancelled. Applicants have been notified of the cancellation by the State Office. A new response for the project may be submitted subject to the conditions of this Notice.

Prior years Notice responses that were selected by the Agency, with a complete application submitted by the lender within 90 days from the date of notification of response selection (unless an extension was granted by the Agency), will be eligible for FY 2012 program dollars without having to complete a FY 2012 response. A complete application includes all Federal environmental documents required by 7 CFR part 1940, subpart G, and a Form RD 3565-1 "Application for Loan and Guarantee." Any approved applications originating from FY 2011 and previous fiscal years' ("outstanding prior years approved applications") that are obligated in FY 2012, however, are subject to "*PROGRAM FEES FOR FY 2012*" in this Notice. Outstanding prior years approved applications will be obligated to the extent of available funding in order of priority score with the highest scores obligated first. The scores the applications received under the NOFA the year the application was submitted will be used for the ranking. In the case of tied scores, the project with the greatest leveraging (lowest loan to cost ratio) will receive selection priority. Once the outstanding prior years approved applications have been funded, the Agency will select FY 2012 responses for further processing in rank order as determined by the scoring criteria set forth in this Notice to the extent that funds remain available.

QUALIFYING PROPERTIES: Qualifying properties include new construction for multi-family housing units and the acquisition of existing structures with a minimum per unit rehabilitation expenditure requirement in accordance with 7 CFR § 3565.252.

Also eligible is the revitalization, repair and transfer (as stipulated in 7 CFR § 3560.406) of existing direct section 515 housing (transfer costs are subject to Agency approval and must be an eligible use of loan proceeds as listed in 7 CFR § 3565.205), and properties involved in the Agency's Multi-Family Preservation and Revitalization (MPR) program. Equity payment, as stipulated 7 CFR § 3560.406, in the transfer of existing direct section 515 housing, is an eligible use of guaranteed loan proceeds; however, the amount of funding available for transfers of existing section 515 properties involving equity payments will be limited to 25 percent of the FY 2012 funding level through August 31, 2012. Once the Agency has committed 25 percent of the total funding available for transfers of existing section 515 properties with equity payments, no further funding will be available for transfers of existing section 515 properties with equity payments until after August 31, 2012, if funding is available.

If there is funding available after August 31, 2012, funding requests for transfers of existing 515 properties involving equity payments will be selected for obligation according to the selection criteria stipulated in the "OBLIGATION OF PROGRAM FUNDS" section of this Notice. Funding requests for transfers of existing 515 properties involving equity payments will be kept in a separate queue. The 25 percent limit is solely for equity payments and does not affect 515 properties' use of 538 loan guarantees exclusively for rehabilitation and repairs. In order to be considered, the transfer of direct section 515 housing and MPR projects must need repairs and undergo revitalization of a minimum of \$6,500 per unit.

ELIGIBLE FINANCING SOURCES: Any form of Federal, state, and conventional sources of financing can be used in conjunction with the loan guarantee, including Home Investment Partnerships Program (HOME) grant funds, tax exempt bonds, and low income housing tax credits.

TYPES OF GUARANTEES: The Agency offers three types of guarantees which are set forth at 7 CFR § 3565.52(c). The Agency's liability under any guarantee will decrease or increase, in proportion to any decrease or increase in the amount of the unpaid portion of the loan, up to the maximum amount specified in the Loan Note Guarantee. Penalties incurred as a result of default are not covered by any of the program's guarantees. The Agency may provide a lesser guarantee based upon its evaluation of the credit quality of the loan.

ENERGY CONSERVATION: All new multi-family housing projects financed in whole or in part by the USDA, are encouraged to engage in sustainable building development that emphasizes energy-efficiency and conservation. In order to assist in the achievement of this goal, any GRRHP project that participates in one or all of the programs included in priority 7 under the "Scoring of Priority Criteria for Selection of Projects" section of this notice, may receive a maximum of 25 additional points added to their project score. Participation in these nationwide initiatives is voluntary, but strongly encouraged.

INTEREST CREDIT: The 2012 Appropriations Act did not fund interest credit.

PROGRAM FEES FOR FY 2012: The 2012 Appropriations Act provides: “That to support the loan program level for section 538 guaranteed loans made available under this heading the Secretary may charge or adjust any fees to cover the projected cost of such loan guarantees pursuant to the provisions of the Credit Reform Act of 1990 (2 U.S.C. 661 et seq), and the interest on such loans may not be subsidized.”

The following fees have been determined necessary to cover the projected cost of such loan guarantees for FY 2012. These fees may be adjusted in future years to cover the projected costs of loan guarantees in those future years or additional fees may be charged. These fees are also applicable to all outstanding prior years responses funded with FY 2012 funds. The fees are as follows:

1. Initial guarantee fee. The Agency will charge an initial guarantee fee equal to one percent (1%) of the guarantee principal amount. For purposes of calculating this fee, the guarantee amount is the product of the percentage of the guarantee times the initial principal amount of the guaranteed loan.
2. Annual guarantee fee. An annual guarantee fee of 50 basis points (one-half percent) of the outstanding principal amount of the loan as of December 31 will be charged each year or portion of a year that the guarantee is outstanding.
3. As permitted under 7 C.F.R. §3565.302(b)(5) there is a non-refundable service fee of \$1,500 for the review and approval of a lender’s first request to extend the term of a guarantee commitment beyond its original expiration (the request must be received by the Agency prior to the commitment’s expiration). For any subsequent extension request, the fee will be \$2,500.

4. As permitted under 7 C.F.R. §3565.302(b)(5) there is a non-refundable service fee of \$3,500 for the review and approval of a lender's first request to reopen an application when a commitment has expired. For any subsequent extension request to reopen an application after the commitment has expired, the fee will be \$3,500.
5. As permitted under 7 C.F.R. §3565.302(b)(4) there is a non-refundable service fee of \$1,500 in connection with a lender's request to approve the transfer of property or a change in composition of the ownership entity.
6. There is no lender application fee for lender approval.
7. There is no surcharge for the guarantee of construction advances.

Eligibility Information:

ELIGIBLE LENDERS: An eligible lender for the section 538 GRRHP as required by 7 CFR § 3565.102 must be a licensed business entity or Housing Finance Agency (HFA) in good standing in the state or states where it conducts business. Lender eligibility requirements are contained in 7 CFR § 3565.102. Please review that section for a complete list of all of the criteria. The Agency will only accept responses from GRRHP eligible or approved lenders as described in 7 CFR §§ 3565.102 and 3565.103 respectively.

GRRHP LENDER APPROVAL APPLICATION: Lenders whose responses are selected will be notified by the USDA Rural Development to submit a request for GRRHP lender approval within 30 days of notification. Lenders who request GRRHP approval must meet the standards in the 7 CFR part 3565 and provide the documentation set forth in

GRRHP Origination and Servicing Handbook (HB-1-3565) found at <http://www.rurdev.usda.gov/Handbooks.html#hb6> (and available in any local RD office).

Lenders that have received GRRHP lender approval that remain in good standing do not need to reapply for GRRHP lender approval. A lender making a construction loan must demonstrate an ability to originate and service construction loans, in addition to meeting the other requirements of 7 CFR part 3565, subpart C.

SUBMISSION OF DOCUMENTATION FOR GRRHP LENDER APPROVAL: All lenders that have not yet received GRRHP lender approval must submit a complete lender application to: Director, Multi-Family Housing Guaranteed Loan Division, Rural Development, U.S. Department of Agriculture, Room 1263-S, STOP 0781, 1400 Independence Avenue, SW, Washington, D.C. 20250-0781. Lender applications must be identified as “Lender Application - Section 538 Guaranteed Rural Rental Housing Program” on the envelope.

DISCUSSION OF NOFA RESPONSE REQUIREMENTS:

Content of NOFA Responses: All responses require lender information and project specific data as set out in this Notice. Incomplete responses will not be considered for funding. Lenders will be notified of incomplete responses no later than 30 calendar days from the date of receipt of the NOFA response by the Agency. Complete responses are to include a signed cover letter from the lender on the lender’s letterhead to the office

address identified in this Notice for the scoring and ranking of a proposed GRRHP project. The lender must provide the requested information concerning the project, to establish the purpose of the proposed project, its location, and how it meets the established priorities for funding. The Agency will determine the highest ranked responses based on priority criteria and a threshold score.

(1) Lender Certification

The lender must certify that the lender will make a loan to the prospective borrower for the proposed project, under specified terms and conditions subject to the issuance of the GRRHP guarantee. Lender certification must be on the lender's letterhead and signed by both the lender and the prospective borrower.

(2) Project Specific Data

The lender must submit the project specific data below on the lender's letterhead, signed by both the lender and the prospective borrower:

Data Element	Information that must be Included
Lender Name	Insert the lender's name.
Lender Tax ID #	Insert lender's tax ID #.
Lender Contact Name	Name of the lender contact for loan.
Mailing Address	Lender's complete mailing address.
Phone #	Phone # for lender contact.
Fax #	Insert lender's fax #.

E-mail Address	Insert lender contact e-mail address.
Borrower Name and Organization Type	State whether borrower is a Limited Partnership, Corporation, Indian Tribe, etc.
Equal Opportunity Survey	Optional Completion
Tax Classification Type	State whether borrower is for profit, not for profit, etc.
Borrower Tax ID #	Insert borrower's tax ID #.
Borrower DUNS#	Insert DUNS number.
Borrower Address, including County	Insert borrower's address and county.
Borrower Phone #, fax number and e-mail address	Insert borrower's phone #, fax number and email address.
Principal or Key Member for the Borrower	Insert name and title. List the general partners if a limited partnership, officers if a corporation or members of a Limited Liability Corporation.
Borrower Information and Statement of Housing Development Experience	Attach relevant information.
New Construction, Acquisition With Rehabilitation	State whether the project is new construction or acquisition with rehabilitation.
Revitalization, Repair, and Transfer (as stipulated in 7 CFR § 3560.406) of Existing Direct Section 515 Housing or MPR	Yes or No (Transfer costs, including equity payments, are subject to Agency approval and must be an eligible use of loan proceeds in 7 CFR § 3565.205)
Project Location Town or City	Town or city in which the project is located.
Project County	County in which the project is located.
Project State	State in which the project is located.
Project Zip Code	Insert zip code.
Project Congressional District	Congressional District for project location.
Project Name	Insert project name.
Project Type	Family, senior (all residents 55 years or older), or mixed.
Property Description and Proposed Development Schedule	Provide as an attachment.
Total Project Development Cost	Enter amount for total project.

# of Units	Insert the # of units in the project.
Ratio of 3-5 bedroom units to total units	Insert percentage of 3-5 bedroom units to total units.
Cost Per Unit	Total development cost divided by # of units.
Rent	Proposed rent structure.
Median Income for Community	Provide median income for the community.
Evidence of Site Control	Attach relevant information.
Description of Any Environmental Issues	Attach relevant information.
Loan Amount	Insert the loan amount.
Borrower's Proposed Equity	Insert amount and source.
Tax Credits	<p>Have tax credits been awarded? If tax credits were awarded, submit a copy of the award/evidence of award with your response. If not, when do you anticipate an award will be made (announced)? What is the [estimated] value of the tax credits? Letters of application and commitment letters should be included, if available.</p>
Other Sources of Funds	List all funding sources other than tax credits and amounts for each source, type, rates and terms of loans or grant funds.
Loan to Total Development Cost	Guaranteed loan divided by the total development costs of project.
Debt Coverage Ratio	Net Operating Income divided by debt service payments.
Percentage of Guarantee	Percentage guarantee requested.
Collateral	Attach relevant information.
Colonia, Tribal Lands, or State's Consolidated Plan or State Needs Assessment	Colonia, on an Indian Reservation, or in a place identified in the State's Consolidated Plan or State Needs Assessment as a high need community for multi-family housing.
Is the Property Located in a Federally Declared Disaster Area	If yes, please provide documentation (i.e., Presidential Declaration document).
Population	Provide the population of the county, city, or town where the project is or will be located.
What type of guarantee is being requested, Permanent only (Option 1), Construction and Permanent (Option 2) or Continuous (Option 3)?	Enter the type of guarantee.
Loan Term	<p>Minimum 25-year term. Maximum 40-year term (includes construction period). May amortize up to 40 years.</p>

	Balloon mortgages permitted after the 25 th year.
Participation in Energy Efficient Programs	Initial checklist indicating prerequisites to register for participation in a particular energy efficient program. All checklists must be accompanied by a signed affidavit by the project architect stating that the goals are achievable. If property management is certified for green property management, the certification must be provided.

(3) The Proposed Borrower

- a) Lender certification that the borrower or principals of the owner are not barred from participating in Federal housing programs and are not delinquent on any Federal debt.
- b) Borrower's unaudited or audited financial statements.
- c) Statement of borrower's housing development experience.

(4) Lender Eligibility and Approval Status

Evidence that the lender is either an approved lender for the purposes of the GRRHP or that the lender is eligible to apply for approved lender status. The lender's application for approved lender status can be submitted with the response but must be submitted to the National Office within 30 calendar days of the lender's receipt of the "Notice to Proceed with Application Processing" letter.

(5) Competitive Criteria

Information that shows how the proposal is responsive to the selection criteria specified in this notice.

Response Review Information

SCORING OF PRIORITY CRITERIA FOR SELECTION OF PROJECTS: All 2012

responses will be scored based on the criteria set forth below to establish their priority for further processing. Per 7 CFR § 3565.5 (b), priority will be given to projects: in smaller rural communities, in the most needy communities having the highest percentage of leveraging, having the lowest interest rate, or having the highest ratio of 3-5 bedroom units to total units. In addition, as permitted in 7 CFR §3565.5(b), in order to meet important program goals, priority points will be given for projects that include low income housing tax credit (LIHTC) funding, Section 515 projects with no equity payments and projects that are participating in specified energy efficient programs.

The seven priority scoring criteria for projects are listed below.

Priority 1 - Projects located in eligible rural communities with the lowest populations will receive the highest points.

Population size	Points
<hr/>	
0 - 5,000	30
5,001 - 10,000 people	15
10,001 - 15,000 people	10

15,001 - 20,000 people	5
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Priority 2 - The neediest communities as determined by the median income from the most recent census data published by the United States Department of Housing and Urban Development (HUD), will receive points. The Agency will allocate points to projects located in communities having the lowest median income. Points for median income will be awarded as follows:

Median income (dollars)	Points
Less than \$45,000	20
\$45,000 - less than \$55,000.....	15
\$55,000 - less than \$65,000.....	10
\$65,000 - less than \$75,000.....	5
\$75,000 or more.....	0

Priority 3 - Projects that demonstrate partnering and leveraging in order to develop the maximum number of units and promote partnerships with state and local communities will also receive points. Points will be awarded as follows:

Loan to total development cost ratio (percentage %)	Points
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Less than 25.....	60
Less than 50 to 25.....	30
Less than 70 to 50.....	10
70 or more.....	0

Priority 4 - Responses that include equity from low income housing tax credits will receive an additional 50 points.

Priority 5 - The USDA Rural Development will award points to projects with the highest ratio of 3-5 bedroom units to total units as follows:

Ratio of 3 - 5 bedroom units to total units	Points
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More than 50%.....	10
21% - 50%.....	5
Less than 21% - more than 0%.....	1

Priority 6 - Responses for the revitalization, repair, and transfer (as stipulated in 7 CFR § 3560.406) of existing direct section 515 housing and properties involved in the Agency's

MPR program (transfer costs, including equity payments, are subject to Agency approval and must be an eligible use of loan proceeds listed in 7 CFR § 3565.205) will receive an additional 10 points. If the transfer of existing section 515 properties includes equity payments, 0 points will be awarded.

Priority 7 – Energy-Efficiency

(A) Projects that are energy-efficient and registered for participation in the following programs will receive points as indicated up to a maximum of 25 points. Each program has an initial checklist indicating prerequisites for participation. Each applicant must provide a checklist establishing that the prerequisites for each program's participation will be met. Additional points will be awarded for checklists that achieve higher levels of energy efficiency certification as set forth below. All checklists must be accompanied by a signed affidavit by the project architect stating that the goals are achievable. Points will be awarded for the listed programs as follows:

- Energy Star for Homes – 5 points;
- Green Communities by the Enterprise Community Partners (www.enterprisefoundation.org) – 10 points;
- LEED for Homes program by the U.S. Green Building Council (USGBC) (www.usgbc.org) - Certified (10 points), Silver (12 points), Gold (15 points), or Platinum (25 points);
- National Association of Home Builders (NAHB) ICC 700-2008 - National Green Building Standard™ (www.nahb.org) Bronze (10 points), Silver (12 points), Gold (15 points), or Emerald (25 points); or

- A state or local green building program– 20 points

(B) Projects that will be managed by a property management company that are certified green property management companies will receive 5 points.

Applicants must provide proof of certification. Certification may be achieved through one of the following programs:

- National Apartment Association, **Credential for Green Property Management (CGPM);**

www.naahq.org/EDUCATION/DESIGNATIONPROGRAMS/OTHER/Pages/default.asp

;

- National Affordable Housing Management Association (NAHMA), **Credential for Green Property Management (CGPM);**

www.nahma.org/content/greencred.html; or

- U.S. Green Building Council (USGBC), Green Building Certification Institute (GBCI) LEED AP (any discipline) or LEED Green Associate; www.gbci.org.

NOTIFICATIONS: Responses will be reviewed for completeness and eligibility. The USDA Rural Development will notify those lenders whose responses are selected via a Notice to Proceed with Application Processing letter. The USDA Rural Development will request lenders without GRRHP lender approval to apply for GRRHP lender approval within 30 days upon receipt of notification of selection.

Lenders will also be invited to submit a complete application to the USDA Rural Development State Office where the project is located.

SUBMISSION OF GRRHP APPLICATIONS: Notification letters will instruct lenders to contact the USDA Rural Development State Office immediately following notification of selection to schedule required agency reviews.

USDA Rural Development State Office staff will work with lenders in the development of an application package. The deadline for the submission of a complete application is 90 calendar days from the date of notification of response selection. If the application is not received by the appropriate State Office within 90 calendar days from the date of notification, the selection is subject to cancellation, thereby allowing another response that is ready to proceed with processing to be selected. The Agency may extend this 90 day deadline for receipt of an application at its own discretion.

Award Administration Information

OBLIGATION OF PROGRAM FUNDS: The Agency will only obligate funds to projects that meet the requirements for obligation under 7 CFR § 3565 and this Notice, including having undergone a satisfactory environmental review in accordance with the National Environmental Protection Act (NEPA) and completed Form RD 3565-1 for the selected project.

The Agency will prioritize the obligation requests using the highest score and the procedures outlined as follows. The Agency will select the responses that meet eligibility criteria and invite lenders to submit complete applications to the Agency. Once a complete application is received and approved, the State Office will submit a request to obligate funds to the National Office. In the event of a tie, priority will be given to the request for the project that: has the highest percentage of leveraging (lowest Loan to Cost) and in the event there is still a tie; - is in the smaller rural community.

CONDITIONAL COMMITMENT: Once the required documents for obligation are received and all NEPA and regulatory requirements have been met, the USDA Rural Development State Office will issue a conditional commitment, which stipulates the conditions that must be fulfilled before the issuance of a guarantee, in accordance with 7 CFR § 3565.303.

ISSUANCE OF GUARANTEE: The USDA Rural Development Office will issue a guarantee to the lender for a project in accordance with 7 CFR § 3565.303. No guarantee can be issued without a complete application, review of appropriate certifications, satisfactory assessment of the appropriate level of environmental review, and the completion of any conditional requirements.

Non-Discrimination Statement

USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, religion,

sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD). "USDA is an equal opportunity provider, employer, and lender."

_____	_____ January 27, 2012 _____
TAMMYE H. TREVIÑO Administrator Rural Housing Service	Date

cc:
MFH-GLD - Cole
MFH-GLD-Alonso
MFH-GLD-Steininger

MFHGLD: M. Cole: 202-720-1251: tb: Draft: 30 November 2011
Recall Name: S\\RHS\mfh-files\grrhp\2012 NOFA\FY 2012 GRRHP NOFA DRAFT
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